
HOUSE BILL 1967

State of Washington

56th Legislature

1999 Regular Session

By Representatives Schual-Berke, Haigh, Lovick, Conway, Dunshee, Santos, Keiser, Ogden, Hatfield, Rockefeller, Cooper, Miloscia, Regala, Kessler, Edwards, Hurst, Gombosky, Lantz, Stensen, Linville, Murray, O'Brien, Kenney, Constantine, Dickerson, Voloria, McIntire and Kagi

Read first time 02/12/1999. Referred to Committee on Appropriations.

1 AN ACT Relating to creating the dedicated education account;
2 amending RCW 67.70.040 and 67.70.240; adding new sections to chapter
3 67.70 RCW; providing an effective date; and declaring an emergency.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 **Sec. 1.** RCW 67.70.040 and 1994 c 218 s 4 are each amended to read
6 as follows:

7 The commission shall have the power, and it shall be its duty:

8 (1) To promulgate such rules governing the establishment and
9 operation of a state lottery as it deems necessary and desirable in
10 order that such a lottery be initiated at the earliest feasible and
11 practicable time, and in order that such lottery produce the maximum
12 amount of net revenues for the state consonant with the dignity of the
13 state and the general welfare of the people. Such rules shall include,
14 but shall not be limited to, the following:

15 (a) The type of lottery to be conducted which may include the
16 selling of tickets or shares. The use of electronic or mechanical
17 devices or video terminals which allow for individual play against such
18 devices or terminals shall be prohibited. Approval of the legislature

1 shall be required before entering any agreement with other state
2 lotteries to conduct shared games;

3 (b) The price, or prices, of tickets or shares in the lottery;

4 (c) The numbers and sizes of the prizes on the winning tickets or
5 shares;

6 (d) The manner of selecting the winning tickets or shares;

7 (e) The manner and time of payment of prizes to the holder of
8 winning tickets or shares which, at the director's option, may be paid
9 in lump sum amounts or installments over a period of years;

10 (f) The frequency of the drawings or selections of winning tickets
11 or shares. Approval of the legislature is required before conducting
12 any on-line game in which the drawing or selection of winning tickets
13 occurs more frequently than once every twenty-four hours;

14 (g) Without limit as to number, the type or types of locations at
15 which tickets or shares may be sold;

16 (h) The method to be used in selling tickets or shares;

17 (i) The licensing of agents to sell or distribute tickets or
18 shares, except that a person under the age of eighteen shall not be
19 licensed as an agent;

20 (j) The manner and amount of compensation, if any, to be paid
21 licensed sales agents necessary to provide for the adequate
22 availability of tickets or shares to prospective buyers and for the
23 convenience of the public;

24 (k) The apportionment of the total revenues accruing from the sale
25 of lottery tickets or shares and from all other sources among: (i) The
26 payment of prizes to the holders of winning tickets or shares, which
27 shall not be less than forty-five percent of the gross annual revenue
28 from such lottery, (ii) transfers to the lottery administrative account
29 created by RCW 67.70.260, and (iii) transfer to the state's (~~general~~
30 ~~fund~~) dedicated education account. Transfers to the (~~state-general~~
31 ~~fund~~) dedicated education account shall be made in compliance with RCW
32 43.01.050;

33 (l) Such other matters necessary or desirable for the efficient and
34 economical operation and administration of the lottery and for the
35 convenience of the purchasers of tickets or shares and the holders of
36 winning tickets or shares.

37 (2) To ensure that in each place authorized to sell lottery tickets
38 or shares, on the back of the ticket or share, and in any advertising

1 or promotion there shall be conspicuously displayed an estimate of the
2 probability of purchasing a winning ticket.

3 (3) To amend, repeal, or supplement any such rules from time to
4 time as it deems necessary or desirable.

5 (4) To advise and make recommendations to the director for the
6 operation and administration of the lottery.

7 **Sec. 2.** RCW 67.70.240 and 1997 c 220 s 206 (Referendum Bill No.
8 48) are each amended to read as follows:

9 The moneys in the state lottery account shall be used only:

10 (1) For the payment of prizes to the holders of winning lottery
11 tickets or shares;

12 (2) For purposes of making deposits into the reserve account
13 created by RCW 67.70.250 and into the lottery administrative account
14 created by RCW 67.70.260;

15 (3) For purposes of making deposits into the state's (~~general~~
16 ~~fund~~) dedicated education account;

17 (4) For distribution to a county for the purpose of paying the
18 principal and interest payments on bonds issued by the county to
19 construct a baseball stadium, as defined in RCW 82.14.0485, including
20 reasonably necessary preconstruction costs. Three million dollars
21 shall be distributed under this subsection during calendar year 1996.
22 During subsequent years, such distributions shall equal the prior
23 year's distributions increased by four percent. Distributions under
24 this subsection shall cease when the bonds issued for the construction
25 of the baseball stadium are retired, but not more than twenty years
26 after the tax under RCW 82.14.0485 is first imposed;

27 (5) For distribution to the stadium and exhibition center account,
28 created in RCW 43.99N.060. Subject to the conditions of RCW
29 43.99N.070, six million dollars shall be distributed under this
30 subsection during the calendar year 1998. During subsequent years,
31 such distribution shall equal the prior year's distributions increased
32 by four percent. No distribution may be made under this subsection
33 after December 31, 1999, unless the conditions for issuance of the
34 bonds under RCW 43.99N.020(2) are met. Distributions under this
35 subsection shall cease when the bonds are retired, but not later than
36 December 31, 2020;

37 (6) For the purchase and promotion of lottery games and game-
38 related services; and

1 (7) For the payment of agent compensation.

2 The office of financial management shall require the allotment of
3 all expenses paid from the account and shall report to the ways and
4 means committees of the senate and house of representatives any changes
5 in the allotments.

6 NEW SECTION. **Sec. 3.** A new section is added to chapter 67.70 RCW
7 to read as follows:

8 The dedicated education account is created in the state treasury.
9 All receipts from the lottery proceeds described in RCW 67.70.040 and
10 67.70.240 must be deposited into the account. Moneys in the account
11 may be spent only after appropriation. Expenditures from the account
12 are for the exclusive use for the support of common schools.

13 NEW SECTION. **Sec. 4.** A new section is added to chapter 67.70 RCW
14 to read as follows:

15 RCW 43.135.035(4) does not apply to RCW 67.70.040 and 67.70.240.

16 NEW SECTION. **Sec. 5.** This act is necessary for the immediate
17 preservation of the public peace, health, or safety, or support of the
18 state government and its existing public institutions, and takes effect
19 July 1, 1999.

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